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7 March 2003

SALE OF SUBSIDIARY LOONGANA LIME PTY LTD

The Company is pleased to announce the execution of an agreement for the sale of all the issued capital in its wholly owned subsidiary Loongana Lime Pty Ltd to entities associated with Meta Holdings and its investment partners for a total consideration of \$3.05 million in cash and receivables.

Loongana Lime Pty Ltd is the industrial minerals business unit of Amalg Resources NL centred primarily around the limestone quarrying operations at Rawlinna and the quicklime production facilities at Parkeston in Western Australia. The sale of Loongana Lime follows a strategic decision by the Board as foreshadowed at the Annual General Meeting to refocus Amalg's activities on its core production and exploration activities in the metals sector.

Meta Holdings has a fund of some \$20 million for active investment in processing and mining industries and, through its investment partners, has access to significant funds in both Australia and overseas. Skipp Williamson, Meta's Australian representative, has a track record in delivering company turnarounds including operating improvements of \$100 million per annum and two European paper mills and \$140 million per annum across three metal smelting plants.

The proceeds from the sale will be used to retire existing debt commitments and fund group working capital requirements following the recent approval for the acquisition of Breakaway Resources Limited.

Yours faithfully

A handwritten signature in black ink, appearing to read 'John Hocking', is written over a white background.

John Hocking
Managing Director